

Management REPORT

July 7, 1955

No. 129

VERN ANDERSON, new assistant to Reg Haight, took up his duties in the training department July 1. A native of Portland, he has just completed a year's teaching in Portland schools; previously was assistant dean of students at Reed College. He and Mrs. Anderson with Paul and Tommy, aged nine and five, and four-year old daughter, Terry, have established their home on Shepherd's road, opposite Sandy swimming area.

CHARLES ROTH, 73, retired from the shipping department in 1950, passed away at the Camas nursing home Sunday morning after prolonged illness. Services will be held at Stollers today (Thursday) at 2 P.M.

A WATCH, award for 25 years of service, will be presented to Vernon Burns, bag factory machine shop, by Mr. Gallaway this afternoon at four. Vernon Natwick, kraft shift foreman, will receive his 25-year watch on Friday for service continuous since July 1930.

OFFICIAL PRESS RELEASE

Thursday, July 7, 1955

CROWN ZELLERBACH CORPORATION released today operating results for its most successful year which ended on April 30, 1955. Sales totaled \$306,236,000, net income \$32,657,000 and production of paper and paperboard exceeded 1,102,000 tons.

Sales and Net Income: Sales volume was consistently at a high level throughout the year and exceeded the previous record of \$297,959,000 set last year, by \$8,367,000. . . . After providing for dividends on preferred stock, net income for the year is equivalent to \$4.26 a share of common stock outstanding, compared with \$3.65 on the fewer shares outstanding during the previous year.

Improvement to Properties: The year's capital expenditures reached an all-time record of \$30,403,000. Total expenditures for timber acquisitions, plant improvements and modernization which have been made during the past ten years exceed \$160,000,000.

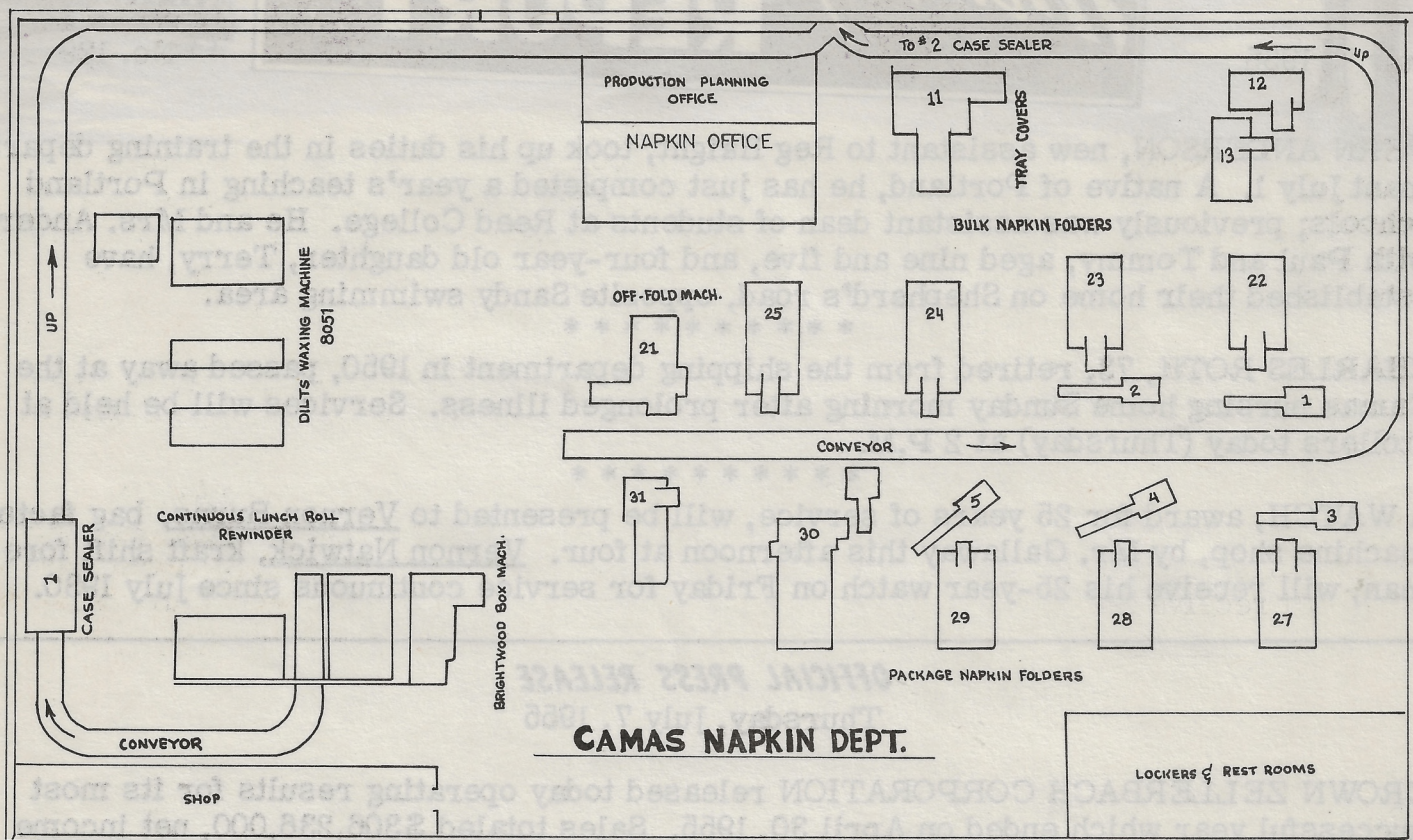
Further Growth: In his letter to stockholders President J. D. Zellerbach stated,

"We are still pressed to meet the steadily mounting demand for our products. Consequently, in order to keep pace with our rapidly growing markets, we must plan to expand production by at least an additional 50 per cent over the next 10 years. In view of this need, our expansion program is again being stepped up, with at least \$85,000,000 earmarked for this purpose during the next two years.

"The tissue machine recently installed at our St. Helens mill," Mr. Zellerbach added, "and modernization of two large machines at other mills, will increase our output considerably. Also, we are building a new kraft mill, adjacent to our Elk Falls paper mill on Vancouver Island. This will provide pulp for a new paper machine to be installed at Elk Falls and one being installed at Antioch, Calif. When these major installations come into production, in 1956 and 1957, they will increase our annual output by 185,000 tons.

"In addition to stepping up paper production," Mr. Zellerbach said, "we are expanding into other forest products to make the most profitable use of all our trees. In 1953 we entered the plywood and lumber field in Canada, through the acquisition of Canadian Western Lumber Co., Ltd. Now we are taking the first step toward a plywood operation in the United States, with construction of a green veneer mill in the Portland area."

RECENT REARRANGEMENT of napkin machines has provided for streamlined operations in the department. More efficient work organization and more convenient working areas have also been gained. All machines are now located so that packed cases have free flow to the conveyor system thereby making maximum use of the new sealer upstairs.



New machine arrangement eliminates much hand trucking and difficult product handling.



CZ EMPLOYEES by their safety efforts during the last five years have earned this certificate. It was awarded at the Forest Products Conference in recognition of our having achieved the lowest frequency rate of all pulp and paper operations reporting to the Forest Products Association from western states and British Columbia.

DAILY SAFETY REPORT SHEETS show a new method of reporting accidents. If you study the report posted in most departments, you will note that the third column is headed "Injuries reported year to-date". The total by Tuesday was 715. This included disabling and slight injuries reported since January 1, and also all the first aid cases.

The purpose is to analyze all injuries and make a distribution chart to show in which areas accidents are occurring. The new method of tabulating is in recognition of the fact that each injury is important - that every first aid case is a potential disabling accident.

JULY SLOGAN by Cecil Collins, shipping: "If you don't have an accident today, there won't be any."